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**Proposed Counsel for the  
Official Committee of Unsecured Creditors of  
South Lakes Dairy Farm**

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF CALIFORNIA  
FRESNO DIVISION

In re:

Case No.: 12-17458-B-11

## SOUTH LAKES DAIRY FARM.

Chapter 11

a California general partnership,

DCN· RAC-1

## Debtors-in-Possession.

**DECLARATION OF RONALD A.  
CLIFFORD IN SUPPORT OF  
APPLICATION FOR AUTHORIZATION  
TO EMPLOY BLAKELEY & BLAKELEY  
LLP AS COUNSEL TO THE OFFICIAL  
COMMITTEE OF UNSECURED  
CREDITORS**

Hearing Date, Time and Location:

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Date: October 25, 2012

Time: 9:00 a.m.

Place: Bankruptcy Court, Dept. B  
2500 Tulare Street, 5<sup>th</sup> Floor  
Fresno, CA

Judge: Hon. W. Richard Lee

**DECLARATION OF RONALD A. CLIFFORD IN SUPPORT OF APPLICATION FOR AUTHORIZATION  
TO EMPLOY BLAKELEY & BLAKELEY LLP AS COUNSEL TO THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS**

1 I, Ronald A. Clifford, hereby declare as follows:

2 1. I am an associate of the law firm Blakeley & Blakeley LLP (“B&B”), proposed  
3 counsel for the Official Committee of Unsecured Creditors (the “Committee”) of South Lakes Dairy  
4 Farm (the “Debtor”). The following facts are within my own personal knowledge and if called  
5 upon to testify, I could and would competently testify thereto.

6 2. This Declaration is submitted in support of the Application for Authorization to  
7 employ Blakeley & Blakeley LLP as Counsel to the Committee (the “Application”).

8 3. The Committee convened a meeting on September 21, 2012, whereat B&B was  
9 selected by the Committee to serve as its counsel.

10 4. B&B believes, insofar as it has been able to ascertain, that neither B&B or the  
11 professionals employed by B&B: (a) hold or represent any interest adverse to the Debtor, any  
12 creditors, or this Chapter 11 case that would impair B&B's ability to objectively perform  
13 professional services for the Committee, in accordance with Section 327 of the Bankruptcy Code;  
14 or (b) have any connection with creditors and other parties-in-interest relating to the Debtor or this  
15 Chapter 11 cases. There are no amounts due to B&B from the Debtor on account of any prepetition  
16 services rendered.

17 5. Pursuant to Local Bankruptcy Rule 2014-1 and Fed. R. Bankr. P. 2014(a), except as  
18 set forth above, neither B&B nor the professionals employed by B&B have any connection with the  
19 Debtor, creditors, or any party-in-interest, their respective attorneys, accountants, or the U.S.  
20 Trustee, or any employee of the U.S. Trustee.

21 6. Scott E. Blakeley and I will be primarily advising and representing the Committee  
22 and are experienced in matters of this type. Attached hereto as Exhibit “A” is a resume of the  
23 professionals of B&B.

24 7. The professional services that B&B may render to the Committee include, but are  
25 not limited to:

26 a. Assisting the Committee in its investigation of the acts, conduct, assets,  
27 liabilities and financial condition of the Debtor, the operation of the Debtor's

1 business, including the formulation of a plan of reorganization;

2 b. Advising the Committee as to its duties and powers;

3 c. Appearing on behalf of the Committee at all meetings required under the  
4 guidelines of the Office of the United States Trustee (the “OUST”);

5 d. Assisting the Committee with respect to the legal ramifications of any  
6 proposed financing or refinancing of real or personal property;

7 e. Advising the Committee regarding its rights and duties in connection with  
8 leases and other agreements;

9 f. Preparing on behalf of the Committee necessary applications, answers,  
10 orders, reports and other legal papers;

11 g. Assisting the Committee in complying with the requirements of the OUST;

12 h. Negotiating with holders of unsecured claims and to file objections to such  
13 claims, if necessary;

14 i. Assisting the Committee in preparing and presenting to the Court a disclosure  
15 statement and plan of reorganization;

16 j. Obtaining, if appropriate and subject to Court approval, confirmation of a  
17 plan of reorganization; and

18 k. Performing such other legal services as may be required in the interests of the  
19 creditors. Such services may include, if requested, prosecuting avoidance,  
20 preference and other recovery actions on behalf of the estate.

21 8. B&B has not agreed to share any compensation for services rendered or to be  
22 rendered in any capacity in connection with this case between B&B and any other entity, except  
23 among B&B personnel.

24 9. B&B's charges for its professional services are based upon the time and labor  
25 required, the difficulty of the issues involved, the skill requisite to perform the legal service  
26 properly, the preclusion of other employment, time limitations imposed by the circumstances and  
27 the experience and ability of B&B.

1       10. B&B has not received a retainer in this matter.

2       11. B&B will file interim fee applications on a quarterly basis with the Court in  
3 conformity with Bankruptcy Code section 330 and understands that allowance of the fees and  
4 expenses paid will be subject to the approval of the Court of the interim and final fee applications.

5       12. At the conclusion of the case, B&B will file an application seeking final allowance  
6 of all fees and expenses, regardless of whether interim compensation has been paid to B&B. Upon  
7 allowance of such fees and costs, the Debtor will pay B&B the difference between the amounts  
8 allowed and any interim compensation paid to B&B.

9       13. B&B understands and agrees that the proposed compensation arrangement will be  
10 subject to the provisions of section 330 of the Bankruptcy Code, which authorizes this Court to  
11 allow compensation different from what is provided herein if the fee arrangement provided herein  
12 appears, in retrospect, to have been improvident in light of developments unanticipated at the outset  
13 of the case. B&B understands and agrees that, if aggregate interim payments made to B&B exceed  
14 the amount that is ultimately allowed to B&B, B&B will be required to, and will, promptly repay to  
15 the Debtor such difference.

16       14. The following schedule sets forth the customary hourly rates charged by B&B  
17 prevailing as of the date of this Application, which rates may be adjusted annually from time to  
18 time:

<u>Professional</u>	<u>Hourly Rate</u>
Scott E. Blakeley	\$495
Bradley D. Blakeley	\$395
Peter M. Sweeney	\$295
Ronald A. Clifford	\$295
Other Associates	\$245
Law Clerk(s)	\$145
Paralegal(s)	\$145

27       15. The professional services that B&B renders on behalf of the Committee shall be  
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compensated pursuant to section 330 of the Bankruptcy Code.

16. B&B is aware of, and will comply with the provisions contained in the OUST Guidelines, and as set forth herein, B&B will comply with appropriate Fee and Employment Guidelines.

17. The employment of B&B as counsel for Committee would be in the best interests of the estates for several reasons: (a) B&B has considerable knowledge about the estate; and (b) the Committee believes that the expertise of B&B in bankruptcy, creditors' rights and bankruptcy litigation matters will enable it to quickly reorganize the Debtor's business affairs and negotiate, propose and confirm plans of liquidation.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 24th day of September, 2012, at Irvine, California.

*/s/ Ronald A. Clifford*

Ronald A. Clifford